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*Central Bureau: Berlin SW 48, Friedrichstrasse 225, III. -- Postal address: Hugo Eberlein, Berlin SW 48, Friedrichstrasse 225, III  
for Inprekorr. — Telegraphic address: Inprekorr.*

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The English edition of the "International Press Correspondence" is sent free of charge to all labour and communist organs in England, America, India, South Africa, Australia and Canada. The editors urgently request that the articles be reprinted in the labour and communist press with the least possible delay. The object of the "Correspondence" is to supply the organs of the working class movements in these countries with reliable information and with points of view which are not found in the capitalist press and news agencies.

It is particularly requested that all editors 1. print as much of the contents of the "International Press Correspondence" as possible; 2. send exchange copies of their respective news-papers and journals to the editors of the "International Press Correspondence"; 3. offer advice and criticism about the "Correspondence", and suggest articles on subjects which may be of special interest to their respective countries. The editors set themselves the task of acting as a means of information and a connecting link between the various branches of the international labour movement. All letters, requests and enquiries received will receive immediate attention. Members of labour and communist parties are also requested to send the editors of the "International Press Correspondence" the names and addresses of all their organs, so that copies can be sent to them.

## POLITICS

### The political situation in Poland and Pilsudski's provocation policy

by Karl Radek.

The situation in Poland becomes more intense every day. The main factor that aggravates this situation is Poland's complete financial bankruptcy. The weekly, "The Tribune", a Polish opportunistic sheet presents the following picture of the approaching catastrophe in its issue of the 8th of October:

"A Swiss franc now costs from 800 to 900 marks; for 100 Soviet rubles one gets 2 or 3 Polish marks. What does that signify? Merely that Polish currency stands 18 times nearer to the Soviet currency than it does to the Swiss. This relation can be graphically represented as follows: the Polish mark is 1 kilometer to the right of the Soviet ruble, 1½ km to the left of the German mark, 9 km from the French franc, and 18 km from the Swiss franc. Two years ago one received 4 Polish marks for 2 French marks. Now the French franc costs 400 Polish marks. In the course of two years Polish exchange suffered an unheard-of depreciation—10,900 per cent. For two years the Polish currency was sinking at the rate of 15 per cent per day, or 0.6 per cent per hour. During the same period the exchange of "poor Austria" sank only 1400 per cent, or 2 per cent per day. From

March of this year until autumn the currency dropped 360 per cent. These are only relative figures. Were we to use an absolute scale (i. e. one gold franc = 0.8 Polish gold marks) the depreciation of the Polish currency would then equal 28,000 per cent in 200 days, or 140 per cent per day. That means that a person possessing 100,000 Polish marks on April 1st could then buy 715 carats of gold, today the Polish government gets for the same sum only 385 gold carats. This signifies that the possessor of the 100,000 mark suffered a daily loss of 1½ carats."

This financial situation, which makes all import impossible and which is paralyzing Polish industry, causes a fabulous price-increase and may lead to a complete social catastrophe. The Polish bourgeoisie has decided to carry out finance-reforms. For this purpose it summoned the banker Michalski from Lwow, a former tax-inspector, and invited him to unveil his salvation-plan before the Sejm. This plan is very simple. The State obligated itself in the previous year to purchase the land from the land-owners, leaving not more than 60 hectares to any one landowner in the industrial districts, not more than 400 in the Posen, Podol and Wolin districts, and no more than 180 hectares in the other Polish regions. The land thus purchased was to be given over to the small peasantry. The minister of finance now proposes to annul this law of the 10th of July, 1920, which was passed in order to stimulate the war-lust of the peasantry. Now that there is no war for the moment, the Government is to withdraw from all its obligations and leave the purchase of the land from the Junkers to the peasants. The State is to be cleared of all financial obligations. At the same time the eight-hour day is to be displaced by a ten-hour day. Such measures will yield no favorable results just now, not even for the capitalists, because unemployment increases from day to day. These measures may serve, however, as a substitute, which will present the Junkers and capitalists, together with the Agrarian reforms, a sum of 80 billion Polish marks. But Mr. Michalski is playing the part of a saviour. His plan will not save Poland's financial situation, not even if the ruling classes would give 80 billions of paper marks, which is doubtful. The depreciation of the Polish currency would stop only for a moment, because its main cause lies in the lack of faith which the bourgeoisie of the world has in the Polish bourgeoisie's policy. This distrust is clearly shown by the refusal to extend large credits since there can be no talk of any economic restoration of Poland. The attempt to establish the ten-hour day will lead to considerable social unrest, which is already heralded by the demonstrations of 60,000 workers in Warsaw. The announcement of the Agrarian reforms will speed up the process of radicalization among the poor peasants and the village-proletariat. The latter will be supported in their march to communism by the small peasantry. Mr. Pilsudski and the National-democrats are surely conscious of the growing danger. That is why the war-clique of the Belvedere (Pilsudski's palace) as well as Roman Dmowsky's clique are striving for a dictatorship, so that as payment for a war with the Soviet republic they can get a big loan from France, and by bleeding the Polish proletariat secure the hinterland.

The intentions of Pilsudski are beyond the shadow of a doubt. In his conference with Panafieu, the French ambassador in Warsaw, and with General Nissel, the French military agent, he declared himself to be in complete accord with the war-projects of France against Soviet Russia. The recent attempts of the second division of the Polish general-staff at provocation of the Russian Embassy in Warsaw, clearly established the fact that Mr. Pilsudski will try in the course of the winter to bring the situation to a head, so that he can launch his attack in the spring.

which time Mr. Pilsudski and the French general-staff consider more favorable because of their expectations that the famine at that time will be more intense. The national-democratic press speaks in a more moderate tone, but it would be folly to trust it. The representatives of this party agreed with Panasieu's idea of a campaign against Soviet Russia. They only demanded that the military dictatorship be given to General Dowbor-Muñizki or Haller, and not to Pilsudski. The truth of this is established not only by our sources, but also by those of the "Manchester Guardian", which published these reports based on information from its London representatives. It is understood of course, that the success of such a move depends upon the annihilation of the Communist movement in Poland.

When a few weeks ago we declared that the Communist victory in the sick-benefit elections meant that Communism is gaining ground in Poland, and that its victories were having a great influence upon the Polish government's policies, "Robotnik", the official organ of the Polish Social-patriots, and the unofficial organ of Mr. Pilsudski, laughed at us. During this time the Communists received a majority of votes in the elections in Sosnowitz, the center of the coal industry; they received 16,000 out of a total of 26,000 votes. The opportunistic weekly, the above-mentioned "Tribune", writes: "Poland is at present permeated by one great fear, the fear of Communism." The national-democrats proposed in the Sejm the following: "Membership in the Communist Party should be considered high-treason and punished by court-martial." We do not know whether the Sejm will approve this measure. One thing is certain however, Mr Pilsudski knows only too well, that such a measure can in no way scare away a class which could not be broken even by the court-martial of Czarist absolutism. Pilsudski is surely preparing a greater coup. He wants to prepare a blood-bath for the Polish proletariat. The recent demonstrations have surely strengthened the self-confidence of the workers: Mr Pilsudski only hopes that these demonstrations repeat themselves more often, and render the workers more militant in their demands. Then he could fight them with cannon instead of with police-agents.

We hope the Polish Communists will consider the situation from a sober point of view. Thanks to the chaos in Polish industry, and thanks to the scattered condition of the Polish proletariat, its social influence is now much less than before the war. Alone, without the aid of the villages the proletariat cannot seize power. As a result of Poland's economic decay, the village-movement will grow. The repeal of the agrarian-laws will speed it up, and bring nearer the moment when the proletariat will no longer be isolated. The Polish Communists would commit a great strategic error, were they to force events. Their task now consists in working with all their energy for a majority of the workers everywhere; they must fight for it, and let their voices be heard loudly from the legal tribunes by the Polish people. They must launch a vast campaign in all factories against any attempt to gag the communist Dombal, in the Polish Parliament. Let the ruling classes know that the Polish proletariat will not stand for having their representative shut up. Let the ruling class feel this in their pockets. The communists should not organize demonstrations, except when the PPS. and the Christian labor-organizations are doing so.

The Russian Soviet Government is ready to live in peace with the bourgeois Polish government. We leave it to the Polish workers. Mr Pilsudski is making a big mistake when he thinks that he will succeed in exhausting the patience of Russia, and effect a break of relations on the part of the Soviet-republic, or when he hopes to succeed in starting a fire of national enmity, preparing for war or destroying the Polish Communist Movement by force of arms. Soviet Russia will loyally fulfil the Riga-agreement; it will always know how to acquaint the Polish people coolly and calmly with any provocative attempt to break that agreement. Soviet Russia needs no war with Poland. Soviet Russia regards the independence of Poland and the destruction of the national pre-arrangement which burdened the Polish masses, as the best means of liberating the Polish people from the influence of the bourgeoisie. It is Pilsudski and the Paris war-clique who need the war.

Moscow, Oct. 19, 1921.

## Japan of to-morrow

by Kako Oba, member of the "Alliance of Japanese Socialists".

At the present there are two Japans—the old Japan, the Japan of the present ruling class, and the new Japan of the proletariat and youth. To-day, a half-century after the bourgeois revolution, the proletarian revolution is being prepared in Japan. Japan is apparently dominated by the militarists and capitalists. This is only superficial, however. In the interior of society, the influence of the class-conscious proletariat is at work,

attempting to establish a new system of society through its own strength. Therefore, Japan which is a member of the League of Nations, which exploits Korea as a colony, which takes up arms against Soviet Russia, which inflexibly prohibits socialist organisations and even refuses the right to vote, is only the Japan of to-day and not the Japan of to-morrow. The Japanese proletariat is preparing itself for the class-struggle. In Kobe alone, where in July, 1921, the greatest strike in the history of Japan took place, 38 strikes have occurred in the last eight months, although the police and the military have interfered and killed a large number of workers. In the last few years the number of Japanese youths who have comprehended the idea of the new society and as a result have become anti-militarists and deserters, has increased enormously. The number of deserters rose from 1443 in 1918 to 1783 in 1919. The Japanese proletariat and youth have no faith in political parties or parliamentarism, are resisting militarism, preparing themselves for the social revolution and are only waiting for the favorable opportunity. They demand the independence of Korea and require the liberation of India from the English and of the Philippines from the American yoke. In short, in their foreign policy they are internationalists and in their domestic policy idealists.

There recently occurred the formation of trade-unions, not only of manual-workers but also of teachers, bank-officials, clerks, and the minor state-officials. One of the strongest unions is the "Salaried Employees' Union". Last year, even the village poor formed their trade-union, one in each province. The peasant movement in Japan has the same importance as the strikes of the factory and other workers.

The position of the industrial workers and the village poor is the same. They are beginning to unite. To sum up, I believe that Japan will soon be Japan of the proletariat.

## A Psychological Revival

by Steklov (Moscow).

We have already noticed the symptoms of a psychological revival which impel certain elements of the intellectual bourgeoisie to acknowledge the power of the Soviets. This revival to-day is sufficiently accentuated to find expression in very distinct and literary utterances which we find in a collection of articles edited at Prague by Cadets who give up their former gods and bend the knee before the young God of the Revolution.

In 1909 a group of repented Cadets and intellectuals (Berudiaev, Bulgakov, Guerchenzon, Izgoer, Kistiakovsky, Struve, Franck) published the collection "Vekhi" (The Sign-Post)—which was devoted to the liquidation of the Revolution and revolutionary hopes and which ended with the approval of the strong government of the reaction incarnated in Stolypin. Moved by the memory of this act of repentance for sin on the part of Russian bourgeois intellectuals, the authors of the collection of which we are treating publish their work at Prague in 1921, that is to say after the failure of the counter-revolution, under the title "Smena Vekhi" (A Change of Guides). The fact is that the change is profound.

Among the authors of this collection we find men such as Professor L. Kliuchnikov, former minister of Kolchak, Professor Ystrian, former Director of Propaganda for the Kolchak government, the Petrograd lawyer A. V. Bobrichev, Pozhkin, collaborator with Denikin in 1919. The collection also contains articles signed G. S. Loukianov, C. S. Chakhotin, L. N. Potekhin—all of them intellectuals belonging to the bourgeois class. The bitter experience of four years of struggle leads them to conclusions in the name of others of their kind.

We do not dream of giving a complete review of this work which the Soviet government would do well, in my opinion, to re-edit and to spread, as much for the edification of the intellectuals, as for showing the laboring masses that their heroism has constrained men belonging to the enemy class to yield to revolutionary truth.

The theme in all the articles in question is the recognition of the October Revolution and the renunciation of all struggle against its results. And it is surprising that men who only yesterday fought against the Revolution with weapons in their hands, should be able to understand so well its spirit and historical mission.

They do not deplore the failure of the February Revolution nor the victory of the October one. They reject the term revolution for the events of March 1917. In their opinion that was nothing but a coup d'état, and the real revolution took place October 25th. (We know that is has pleased the Mensheviks and Social Revolutionists recently to sustain exactly the contrary opinion.) They say plainly that the victory of the Cadets, the

Mensheviks and Social Revolutionists in 1917 was a victory of the Reaction. To destroy the power of the Soviets would be "breaking the backbone of Russia".

"There will not be a third revolution", writes Bobrichev. And Pozhkin, showing the impossibility of the illusions entertained by Social Revolutionists and Mensheviks who still hope for the fall of the Soviets either by foreign intervention or by a movement in the interior, writes the following: "No other power is possible in Russia". L. Kliuchnikov adds, "Bolshevism and Revolution are one and the same thing in Russia". These repentant Cadets, after having made short work of the calumnies spread against Soviet Russia, accept the October Revolution in its extreme results, certain that what are called its "excesses" are inseparable from all historical uprisings.

*They begin to understand the high truth which is at the basis of the October Revolution.* They perceive the creative forces shown by the masses who have become the masters of social life. They realize the lie of parliamentarism and democracy invoked by the counter-revolution. They say, "The Revolution entered as sovereign into Russian life because it rejected literary verbiage and set for itself serious aims". And these bourgeois cannot make out "This blindness, this narrowness of spirit, this wickedness of the 'moderate revolutionists' (Mensheviks and Social Revolutionists) who are absolutely incapable of conceiving the world-wide importance of the Russian Revolution, and are determined to aid the Reaction, whose victory would immediately strangle martyred Russia". But they are convinced "That Russia of the Soviets has held out and will continue to hold out because it has the sympathy of the laboring masses".

The Revolution has made good, these authors show. They say that the reproaches made by the Social Revolutionists and the counter-revolutionists against the Bolsheviks whom they accuse of not having kept their promises, are nothing but so much prattle. "Unconsciously", they say, "we are present in Russia at the birth of a true civic life. The colossal growth of national, economic, social and civic conscience of the popular Russian masses during the Revolution is one of the undeniably and precious results of the Revolution which in the great process of its creative work, has laid down the foundations of a new Russia".

And the economic ruin? The authors do not deny it. Only, they assert that the responsibility for it lies with the enemies of Bolshevism, and that the power of the Bolsheviks is the only one which can pull Russia out of it. If it has not been able to obtain as yet a success in this field as great as its political successes, it is because the counter-revolution has not stopped putting obstacles in its way.

The authors of "Smena Vekhi" have no doubt of the stability of the Soviet regime and its ultimate victories. Russia will never again have either an autocracy, or a constitutional monarchy, or a bourgeois republic. "That which will be founded will be something forged and engendered in suffering by the Revolution. Russia will set up monuments for no one, not even for Lenin."

From all this the authors draw a conclusion which serves for the title of the article by Chakhotin "To Canossa". S. Chakhotin calls upon the bourgeois intellectuals to make their *mea culpa*, to stop all action against the Soviets and even to combat resolutely all attempts at action against them. "Events have shown us that we were wrong. Conscious of the interests of the country, we are ready to realize our mistake. We do not hesitate to say 'Let us enter the sheep-fold, let us go to Canossa!'. We were mistaken. Let us have the courage to admit it for ourselves and for others." Thus they call upon the intellectuals to place themselves at the service of the liberated Russian people, to participate in the education and industrial renaissance of Russia on the basis of rational production.

We foresee the imprecations which will be directed from the camp of the counter-revolution against these repented Cadets. They themselves know that they will be considered renegades—and they feel themselves above this insult. When at the time of the "Vekhi" of the past the Cadets disowned the Revolution in order to kneel before Czarism and to prepare its conciliation with the bourgeoisie, they were undeniably renegades. But when men quit the party of possessors, of men whose hands are red with blood, when their ideology breaks with that of the exploiting-class, when they declare themselves ready to place their experience and knowledge at the service of the liberated masses, it does not behove the Bourzeyevs, the Alexinskys and the Chernovs to call them renegades. Unfortunately for these social-traitors their opinion has no weight with anyone, whereas the authors of "Smena Vekhi" know well that they express the real aspirations and interests of vast sections of the intellectuals of to-day and to-morrow.

*Izvestia, Oct. 13.*

## THE INTERNATIONAL SITUATION

### Washington and Ireland

by Arthur Rosenberg (Berlin).

Ireland once more proves to be the evil genius, so to speak, of the British Empire. If indications are not all deceptive, Lloyd George has been prevented from taking part in the Washington Conference, because of the danger of a new civil war in Ireland. Of all the leaders of the Entente governments, Mr. Harding will be able to greet only Mr. Briand in person, while from England only the lesser personalities will make the trip across the ocean. And yet the situation at Washington will be so difficult for British policy, that all the adroitness and authority of a Lloyd George would be needed, to open a way out with honor for the English bourgeoisie. It is possible to observe at present that the crisis of Ireland and of the Pacific Ocean are not mere external coincidences. The Irish question is of considerable importance for the present and future relations of England and America. In the last century millions of Irishmen driven out of their native land by English big landed property and big capital, have made their way to America. A very considerable portion of the population of the United States is of Irish extraction, and this is true not only of the proletariat, but also of the American bourgeoisie. The natural economic opposition between England and the United States experiences a particularly intense reinforcement through the Irish element with its inborn hatred for England. It is known that the Irish Republican movement and together with it also the Republican army are being substantially financed from America. But the English government has put up with this circumstance in silence, because in spite of all unfriendly acts it is careful not to provoke a break with the United States. If Lloyd George has for weeks been so patiently parleying at the conference-table with delegates of the Irish Republic, he did it, in a large measure, out of regard for America and all those Irishmen who hold important public offices in the United States. The Anglo-American agreement which the English bourgeoisie considers at present to be at least a temporary way out of its world-political difficulties, can never come about if English soldiers in Ireland are burning down peasant's farms and estates and shooting down women. America's Irish friendship is not, however, only regard for one of the most important elements of the population of the United States, nor is it simply sentimental, but it is the clear realization that an independent Ireland would be merely an outpost of American capitalism and imperialism in Europe.

Upon what does the present understanding between British capital and the Sinn Feiners hinge? It certainly does not hinge on the question whether George V. shall be recognized at Dublin as toy-monarch just about as much as in Cape Town, Sydney or Montreal, where no serious person bothers about the so-called sovereignty of His Majesty the King of England. But the question is as follows: Shall Ireland remain what it has been for centuries—a colony of English capital—or shall it become economically independent? The Irish petty-bourgeoisie, the peasants and the intellectuals from among whom Sinn Fein recruits its followers, desire Ireland's rise to a position of economic independence, freed from the chains in which the land has been held until now by English capital. In order to achieve this, Ireland must have not only its own ministers, judges, police, but, what is more important, also be in control of its own customs-policy like the Dominions of the British empire—Canada, Australia, etc. The Irish want to have the right to close the doors to English goods, when necessary, and to enter into trade-agreements with foreign governments, which will enable the nationalist Irish bourgeoisie to rise to wealth. It appears that the English negotiators at this long-winded Conference were prepared to make this concession; but with one reservation which again spoiled everything. Economically and nationally, Ireland is divided into two parts: first, the larger, agrarian, petty-bourgeois South of Ireland in which the Irish Catholics predominate, and secondly, the smaller, highly industrial, North—the Ulster district with Belfast. There the population is in the main English Protestant. An independent Ireland, however, can possess economic vitality only if the factories and wharfs of Belfast are included in it. English capital knows this, and is proceeding accordingly. On pretended national grounds it proposes to tear Ulster from the rest of Ireland and to give it a government of its own. Naturally, autonomous Ulster is to remain on terms of closest relations with England. And now Lloyd George comes before the Irish delegates with his best horse-trader's mien

and promises them what they want all the glories of self-government: national flags, national postage stamps and so on—but all this without Ulster. But De Valera was even more cunning. He signified that he would accept His Majesty King George, but only—with Ulster. In this way the English capitalist government saw that it would have to show its colors—does it really wish to guarantee to the Irish effective economic independence or not. According to the latest news from London it appears that Lloyd George does not want to make this honest concession, and so the break is sealed. The last House of Commons speech in which England's Prime Minister defended his Irish policy in presenting it for a vote of confidence, clearly showed this possibility of a break.

If the worst comes to worst, the English delegates at Washington will try to make amends for the painful impression caused by the development of the Irish question by making further concessions to America. Since the last conference of the British Empire at London made it clear that the great overseas dominions would in no case join hands with Japan to fight against America the course followed by Great Britain until now in its world-policy becomes impossible. With that skill with which they excel in these things, England's bourgeois press has prepared the change in these last weeks. Japan, the beloved ally of the last decade, is now suddenly represented as an evil genius to the honest middle-class newspaper-readers. The connection has been hammered into the mind of the English public that England has nothing to gain from an alliance with Japan, but on the contrary, it has much to lose. The deciding word has been spoken by the real king of England, who is neither George V. nor Lloyd George, but *Lord Northcliffe*, the London newspaper-king, owner of the "Times", the "Daily Mail" and of several dozen other factories of public opinion, and who is the mouth-piece of the most influential and fearless capitalist groups of the City. Lord Northcliffe is now "accidentally" touring the Pacific Ocean countries. And just as accidentally he received a representative of the official English Reuter agency, a few days ago at Hong-kong, to whom he said that in his opinion the existence of the Anglo-Japanese alliance is no longer justified. The solution of the Chinese question should be sought for, not with Japan, but with America. And if it should come to a conflict in the Pacific Ocean, England will be found on the side of the United States. This declaration by Lord Northcliffe has caused the biggest sensation at Washington. It is the real key-note for the International Conference. Japan has until now been in control of a large part of China, economically and politically, and has aspired to the remaining part of the immense Eastern Empire. England now supports the "open-door" policy. The domination of Japanese capital in China is to be smashed, China is to be placed under international guardianship, and America will have the first word on its board of guardians. It is hoped that the united pressure brought to bear at Washington by America, England, France and the Dominions will force Japan to retreat, and so the world-war will be for the time avoided. Even a compensation for Japan has been thought of in England, and it has been hinted that Japan may receive indemnity in Eastern Siberia for the loss of domination in China.

What does England expect from America in return? England wishes American capital to cease its offensive against English shipping and to have more consideration for the existence of the English bourgeoisie. A few weeks ago, for instance, the American Senate passed a bill, according to which the English ships passing through the Panama Canal, the thoroughfare for world-commerce, would have to pay a toll, whereas American ships would be exempted from payment. President Harding has declared, however, that this law, together with other measures of a similar nature, all hostile to English shipping, would be laid over till after the Washington Conference. Thus possibilities are opened for further negotiations.

In all these arrangements of the bourgeoisie the proletariat is the only sufferer. The Irish working-class must realize that the future Sinn Fein Republic will also be only a prison for them. And the understanding among the big capitalist cliques which will be sought at Washington can only pile new burdens on the workers of America, England and Japan. The international capitalist conferences must be made harmless through international proletarian action.

## Briand's Foreign Policy and its Opponents

by M. Rose (Berlin).

The Briand government has seized the greater part of the industrial region of Upper Silesia for French capital. It has occupied Düsseldorf, Duisburg and the Ruhr. Through the Wiesbaden agreement it has exacted immense deliveries of Ger-

man goods, which are for the present being credited at only 35 % of their value. In spite of the abolition of the Rhine customs-line, it has seen to it that French goods shall pass the German "Hole in the West" unhindered. It has extorted billions in payments from Germany, and will extort still more. It has checkmated the influence of English capital in Turkey, and has in its pocket the agreement with Kemal Pasha. It has formed relations with America which make France the "balance index" in the next decisions in worldpolitics. In spite of all these results, Briand did not stand before the Chamber and the Senate as a victor during these last weeks, but instead, he has called down upon his head a storm of violent interpellations. With wit and pathos, with nationalist indignation and annoying personal recollections, the spokesmen of the Bloc National fell upon Briand. He had to muster all his eloquence to hold out. Yet he has held out, simply because the Bloc National was frightened by the question of who and what will come after Briand.

In all respects Briand has represented the interests of French big capital as skilfully and as successfully as could be desired. What then do his opponents want of him? Their reasoning was often of this kind: "It doesn't matter, the Jew must be burned".

One Deputy of the Right put the following question to Briand: "In thirteen years from now a plebiscite will take place in the Saar region on whether this territory shall belong to Germany or to France. If the decision should result in such disputes as are now going on over Upper Silesia, will the French government call anew upon the Council of the League of Nations as arbitrator? And will the French interests receive sufficient protection?"

Briand had a ready answer for this. It was easy for Briand to make short work of this nonsense, advancing the opinion that he had enough worries with the present. They might well spare him the worries which will come thirteen years later.

The opposition further found fault because not all of Upper Silesia fell to the lot of Poland. Still further, it was objected that Germany's debt to the Entente was fixed at only 132 billion gold marks, which was 12 billions too little. For hours and hours there were bitter clashes over these supposedly missing 12 billion gold marks. M. Tardieu could not be calmed at all, and drove the minister Loucheur into a tight corner.

Yet it is clear that all these antics do not reach to the root of the matter. The Tardieus and the Poincarés who are stirring up the tempest against Briand, are serious men who know precisely what they want, and have their motives. To be sure Briand had the advantage in the debates, in that he could develop his thoughts clearly and openly, whereas his opponents in certain respects had to content themselves with making intimations. But then, these intimations were precise enough. At the bottom of all these attacks on Briand was the reproach that he had not occupied the Ruhr region. But the occupation of the Ruhr would have meant a breach in the Entente—a break with England. The opposition of the Right knows that, and is ready to take the consequences upon itself. In a word the opposition between Briand and Tardieu reduces itself to this—Briand wants French capital to lean even more heavily upon England, Tardieu, on the contrary, wants to supplant the English orientation by a Continental policy.

In France there are at present three foreign policies. There is the foreign policy of the revolutionary workers, centered in the Communist Party and in the Minority Labor-Unions—that is, the foreign policy of the Third International. Then we have two different foreign policies of the French bourgeoisie—Briand's policy and that of the Opposition of the Right. And between the revolutionary working-class and the bourgeoisie there is the sad spectacle of the Right Socialists, who are convinced that they have a foreign policy of their own, but in reality are only the boot-shiners of the bourgeoisie. The policy in Germany which corresponds to this kow-tow policy towards the French bourgeoisie is that of the Independent Socialist Party, especially of the editorial-staff of the "Freiheit". The phrases about peace and justice are the invention of the French capitalist politicians. Not only has M. Briand them continually on his tongue, but Poincaré also makes assurances which one can hear at any time that the French are a peaceful nation and that they do not dream of conquest or enlargement of their territory. That might be true of the large masses of the French population. But when pronounced by the politicians of big capital, such protection are purely theatrical. But the Mensheviks on the right and left banks of the Rhine believe in this theatres-acting. The Breitscheids and Hilferdings are running along behind the triumphal chariot of French imperialism like street-urchins who run behind a carriage in the rain, and are happy when the vehicle splashes mud into their faces.

Briand and his opponents of the Right both wish the same thing at bottom—the establishment of the rule of French capital over the whole European continent, which would enable the French to obtain control of all the coal and metal-deposits. We see there the re-establishment of the Napoleonic Empire, laid out according to the needs of the modern industrial age. Briand and Loucheur are also far from willing to make any concessions whatsoever to the German bourgeoisie. Even the Wiesbaden agreement which is often pointed out as the beginning of a conciliatory policy, and as the "triumph of Amsterdam", was absolutely directed by French capitalist interests. But Briand sees the danger in France's isolation. He reminds his opponents of Waterloo and Sedan, the two catastrophes which befell the French Empire because it stood alone. He does not want to sever the bonds with England and America, but on the contrary to make use of this connection to continue to force new concessions from England, both in Europe and in the Orient. The Right Opposition is of the opinion that England will never willingly tolerate the occupation of the Ruhr by France and the transfer of the Ruhr mines into the hands of French capital. The successful establishment of French industrial power in Europe will therefore only be possible against England's opposition. Therefore a new orientation must be sought.

Tardieu and his friends believe that they can carry out their ideas without bringing about the isolation of France. First of all they wish to foster the relations between France and its continental alliances, formed through the world-war—that is with Roumania, Poland, Jugoslavia, Belgium and Italy.

Tardieu further recommends an understanding with Japan if even a temporary alliance between England and America results at Washington. It is extremely worth while to notice how the sympathies with America professed by the extreme Right have been cooling down, since it has become apparent that the Anglo-American opposition is being bridged over for the time being.

And then, the politicians about Tardieu and Poincaré have a brilliant idea—the reestablishing of the Russian monarchy in order that the historical Franco-Russian Dual Alliance might be revived. French capital's anti-bolshevik policy explains itself through the necessity of collecting the old debts in Russia. French capital wishes thus to acquire an immense field of exploitation in the East, but together with that, it is trying to find a counter-poise to England in an allied Russia. The Franco-Russian-Japanese alliance is the best answer to an Anglo-Saxon understanding at Washington. With such a safety-measure France can complete the transformation of Germany into its colony. Briand is as yet inclined to use the German industrials as subordinates. Tardieu, on the contrary, wants to remove them entirely and to take over their interests.

It is a question, therefore, for the extreme French nationalists of finding a watchword with which to win over the masses to this new imperialist orientation. This watch-word is ready to hand—the French petty-bourgeoisie and peasants are told that they must pay such heavy taxes only because a lax and cowardly government does not dare to make the Germans pay regularly. Briand, on the contrary, fears, as he openly admitted in the Chamber, the time when all classes of the French people will realize that a billion-paying Germany is an illusion. He would like to prepare the French masses gradually for the fact that things will not turn out altogether as the French nationalist orators had promised at the last elections. But for the moment Tardieu's watchword possesses more attraction.

This time the Bloc National shrank back before the task of accomplishing this change of direction in French foreign policy and Briand received the vote of confidence which he requested for his trip to Washington. But the inward logic of the present world-political crisis speaks in favor of Tardieu and not of Briand. In order to maintain themselves the French capitalists must take advantage of even the most extreme possibilities for conquests. They will choose Tardieu's road and on this road they will break their necks.

## France's Agreement with Kemal

by Heinz Neumann (Berlin).

The negotiations between France and the Turkish-nationalist Government of Angora, which have been going on for months, have been concluded. The agreement was signed by Yussuf Kemal Bey, the minister of foreign affairs for the Angora Government, and by Franklin Bouillon, the French envoy. The Turkish National assembly ratified it on the 20th of October. The result of these negotiations was influenced by the intermittent course of the Greco-Turkish war. Again, the stand which France took in its relations with Kemal decidedly influenced the unity of the allies. Every time the Greek army, the standard-

bearer of English imperialism in Asia Minor, was victorious, London dominated Paris in the supreme council. The various stages in the Upper-Silesian question, and chiefly in the Entente's relations with Germany, offer a inner parallel to the events on the Greco-Turkish battle front. When during the summer, after the battle of Kutahia, King Constantine's troops carried their offensive almost to the gates of Angora, the German bourgeoisie's chances for an undivided Silesia were most favorable. Only through very clever tactics did Briand succeed in constantly postponing the meeting of the Supreme Council, which was more and more vigorously demanded by Lloyd George, and in putting off the final decision over Upper-Silesia for months by having it transferred to the League of Nations Council.

The Geneva decision for the division of Upper-Silesia, in October 1921, was handed down in a totally new situation. Following General Papulas' victory in the battle of Kutahia, came the "Battle of the Marne" at Sakharia, lasting from the 12th to the 15th of September, and resulting in a complete routing of the Greek army by Kemal. This event greatly interfered with the English plans in the Near East. England could no longer disregard France's good will. France's policy in Turkey became a weighty factor, against whose wishes the possession of Constantinople and the straits and the colonization of Asia Minor by the English bourgeoisie became impossible.

With the aid of the Anglo-American differences, Briand had his somewhat unfriendly ally in his grip, and he thus succeeded in carrying out the Geneva decision and his German policy.

In the meanwhile, with the new Anglo-French friendship and with the prevention of the so often expected break, Kemal l'Ascha did not cease to pursue and destroy the Greek Army, nor did Briand break off his negotiations with the "Lion of Angora".

On the contrary, Briand sought with increased energy to bring these negotiations to a conclusion through his confidential agent, the liberal deputy, and director of many French financial enterprises, M. Franklin-Bouillon. The peace between Paris and Angora was signed last week.

What are its contents? Two interpretations are possible. The correct one is probably the one first published in the "Manchester Guardian", and accepted by the English press. According to this view, the agreement guarantees to the Turkish Nationalists, their "absolute independence within the limits of the national boundaries", which according to their program, gives them the whole of Anatolia, including Smyrna, and almost the entire region of European Turkey of 1914, including Thrace with Adrianople. The international Allied Control, which practically means England's control, of the straits is to be discontinued, and complete control of the Dardanelles, the Sea of Marmora and the Bosphorus is to be left to the Turks. Instead of the reparations which were to be made by the Turks according to the Sèvres agreement, France guarantees a loan to Turkey. In return for all these generous concessions, France asks for nothing more than to be granted an "economic sphere of influence" for an indefinite period, a number of commercial privileges, which are not described in detail, concessions for the completion of the Bagdad Railroad, the operation of the section of track between Bosantia and Nisibin, and the recognition of France's protectorate in Syria, together with "guarantees" in Cilicia, from which region France formally withdraws its troops. Of course the French telegraph-agencies deny these reports of the agreement.

The "Temps" writes in its characteristic pose of the harmless friend of humanity:

"The negotiations carried on by Franklin-Bouillon were mainly over the freeing of French prisoners-of-war. Beside this, the establishment of the Turko-Syrian frontier and the provisions for the clearing of Cilicia were discussed. The frontier decided upon resembles the one suggested at London; then, as was requested by the Turks, and in the interests of both parties the facilitation of commercial intercourse was agreed upon. Our troops will not leave Cilicia without guarantees that the rights of the national religious minorities will be protected (!)."

We notice what great pains are taken to deny everything which rouses England's suspicion. Briand acts as if it were only a question of inessential amendments to the peace of Sèvres, whereas in reality this treaty is completely overthrown by the Angora agreement, in all respects—territorial, political and economical. France thus makes a decided step towards the subjugation and capitalistic exploitation of Turkey in sharpest competition with English Imperialism. Even the "Temps" admits it in a sly way:

"An understanding seems to have been reached which protects French interests in the economic field."

Right after this the "Temps" concludes naively:

"It is clearly to be seen, that in all of these agreements none of the political nor economic questions which must be solved by the Allies as a whole are touched."

The English bourgeoisie is worried by the agreement. The indignation is so much the greater because two months ago Lord Curzon sent a note to Paris, demanding an explanation of Franklin-Bouillon's activities. Even the liberal sheets express their regret over "France's egoism", but at the same time consider it high time to liquidate England's expensive and unprofitable enterprises in the Near East. But the voices of these left-liberal outsiders are dying away unheard. The classical policy of Disraeli—the *Anglicising of Asia Minor* and a grip on Constantinople—is becoming more than ever a necessity for England, in the midst of the economic crisis, the contraction of the world-market and a fermenting India, Mesopotamia and Egypt. A liquidation of England's undertakings in the Near East is not to be thought of. Only the means of achieving England's aims will be altered. Greece is to-day a corpse. Lloyd George does not as a rule base his policies upon the aid of corpses. The support of King Constantine has visibly diminished. *England too will have to seek an understanding with Angora.*

*A change in France's attitude to Greece is also in the air.* In spite of the cool reception accorded to Prime-Minister Guénaris, Briand is nevertheless flirting with Greece. In the Albanian frontier-question, he silently encourages it against England and Italy, in order to shift Greek nationalism from Asia Minor and Thrace to the Epirus region, thus giving him a free-hand on the other side of the Aegean.

The French bourgeoisie is in agreement with Angora not only out of pure political rivalry with England, but also because it has very distinct interests in Turkey. Firstly economic—almost all the Turkish loans are in the hands of Paris financial interests: numerous enterprises, harbor facilities, the tobacco-monopoly, the wharves and docks of the important Smyrna-Kasaba line, belong to the "Credit Lyonnais" and to other big banking interests. The new important economic concessions, as well as the chief participation in the Bagdad railroad extensions, Helfferich's inheritance, offer to the French imperialism on the Orient new unbounded vistas of expansion.

But there is another view-point. Kemal Pasha was until now in close connection with Soviet Russia; not out of love, but because of necessity. This necessity has now vanished. At the same time that the Angora agreement was concluded, Briand made a brilliant chess-move, shortly before Washington. He took the initiative in bringing about a peaceful understanding between Constantine and Kemal. This intervention has a certain chance of success because both sides are bled white—a success for Kemal, and for Greece, but above all a defeat for England. Therewith the tie between Angora and Moscow is loosened. The undeveloped commercial-bourgeoisie of Turkey is naturally eager for the conquest of the markets and mineral wealth of Soviet Armenia, Soviet Aserbeidjan, and Soviet Georgia. Its opposition to Soviet Russia, which has already shown itself in various instances, is becoming acute. This is a toothsome morsel for French imperialism, which, after the bankruptcy of its mercenaries in Siberia, Ukraine and Western Russia, now can attempt to collect the billions of the Czar's debts from the naphta-sources of Baku, and from the sweat of the Caucasian workers and peasants. It should not be forgotten that in Gallipoli and its environs, there are 80,000 beaten White-guards who because of their very demoralization are ready for anything.

Again the resemblance between Anatolia and Upper Silesia looms up as follows: *Just as in Upper Silesia, so in Asia Minor, the main object of French diplomacy was the creation of a military and economic base against Soviet Russia.* If Poland is to be the European watchdog of the French bourgeoisie, Turkey is to be its Asiatic one. If Kemal does not want to play Pilsudski's part, then either Bekir Sami Bey or another one will be found who will.

In this way, the Angora treaty means an intensification of the Anglo-French conflict on the one hand, and a serious endangering of Soviet Russia on the other. This would mean an immediate danger to the proletarian revolution.

It is interesting to note that at the same time that the treaties of St. Germain and Trianon are falling to pieces through the events taking place in Hungary, the Sèvres-treaty, the decisions of San Remo and those of the early London conference are being torn to bits. In this wise the great organized capitalistic attempt, is marching step by step towards the bankruptcy of its "Peace-treaties", even if this process is disguised by such outward forms as "Agreements" and "Amendments".

## ECONOMICS

### The Reorganization of Russian Industry

by E. Varga.

The new economic policy of Russia necessitated a reorganization of Russian industries. The system in use until now which consisted of a communistic management of all trades all the way down to 5 workers, had shown itself too burdensome and too bureaucratic an obstacle in the path of production. The Russian distances and the poor means of communication brought it about that the central management of the immense number of small industries became too troublesome and an impediment to increased production. The organizing capacity of the Russian proletariat clearly does not suffice for an organized control of all industries with their numerous small trades, besides keeping up the army and state-management.

The changes effected in the system of our food-policy made it necessary to enable the peasant to exchange his surplus for manufactured articles. The state-machine however, is not fitted to undertake this exchange with the peasant directly. This situation therefore necessitated several changes in the industrial-policy of Russia as applied until now.

1. The first change consists in the permission to trade in all non-monopolized products, and in the liberty to build up industries and to sell their products in the open market. This liberty was enjoyed only by trades with less than 5 workers. Now this is done away with in the sense that no limit is set on the number of workers to be employed.

2. The recognition of the fact that the organizing capacity of the Russian proletariat was insufficient for the communistic management of tens of thousands of small trades, led to the elimination of those small industries which were not important to the community, and to the letting of these to private enterprise or companies. For the present no estimate of the importance or number of industries thus let can be given. Judging by the reports from the individual states, it is to be surmised that from 40 to 50 per cent of the industries will in this way be leased. But since these are the small industries which are to be let out, the reduction in the State community-production will amount to only about 25%.

Such changes as the permission to trade in the surplus products of the peasants, the freedom of industrial production and legal trade, and the letting of the small state-industries, mean a renewal of private economy, free trade and in the long run—capitalism in Russia. It would be idiotic to deny this. Under the given circumstances, with the small number and the limited organizing-capacity of the Russian proletariat, and with the isolation of the proletarian regime in the whole world and the overwhelming peasant-character of the country, a prolongation of the system of war communism would have led to the loss of our agriculture, to the absolute return of the peasantry to a closed household, to an inability to feed the army and the industrial proletariat, and finally to the overthrow of the dictatorship.

The tight grip of the central state control had to be loosened; the latter had to confine itself to those parts which it actually could control; and the remainder had to be reorganized according to changed circumstances. This made a third change necessary.

3. Such larger industries as the mining industry, the railroads, and also foreign-trade, which remained under the state-economic control, had to be adapted to the actuality of an open market. The strict bureaucratic rules of state economic control had to be loosened. The industries were, from a commercial standpoint, organized into trusts which enjoy a greater freedom of management than they have had until now. In contrast to the system in use until now, these may satisfy certain needs directly in the open market and also place a part of their products on the market. The workers as well as the directors are interested in the prosperity of the undertaking by receiving part of the profits. In this way these industries enter into competition in certain fields, with the newly created private industries, and with the big capitalistic enterprises which are established on the basis of concessions; a competition for markets, for raw material, and working-power.

Due to the new policy, changes are also taking place in other fields. Gold, which until now was constantly losing significance, through the open market now becomes an important factor.

The industries, including state industries, are assuming a money basis; government money-institutions and payments in currency are being established. The co-operatives are also being adapted to trade on a money basis, etc. The part played by the labor-organisations is also changed somewhat: they again become the defenders of the workers' interests against the private employers.

No distinct picture of the effects of this new policy in the industrial field can yet be given. In substance, the new policy consists of the confinement of communist state control to the most important industries and the concentration of the best organizing powers in this field. By means of these the following is effected: first of all those industries which remain under direct state control will begin to flourish; secondly, those small industries in the hands of companies and private enterprise will, due to private initiative, also produce more than before and at the same time the millions of peasants will be given an opportunity to satisfy their needs in manufactured articles upon the open market, no longer restricted by the state. Part of our gains are thus given up for the better organization of what remains.

## The fate of the „Deutsche Werke“

by M. Philips Price.

The *Deutsche Werke*, which up to the end of the war was the great arsenal and State munition factory for the Prussian army, was after the armistice reorganized on a peace footing. The process of reorganization has been going on for the last two years and is not completed yet. But it has nevertheless proceeded far enough to make it possible to employ some 30,000 workmen in Spandau, Erfurt and Hanau on the repair of locomotives and the manufacture of automobile parts and sporting guns. The Prussian State thus possesses a nationalized industry working for peaceful purposes in competition with the trusts and syndicates of the great capitalists. In addition to this the Workers' Council at the *Deutsche Werke* has the full powers, which are conferred upon workers council by virtue of the *Betriebsraetegesetz*. It exercises control over the management of the works. Moreover the employees are not reckoned as State officials (*Staats-beamten*) but as employees of a firm, in which the State possesses the whole of the share-capital. Thus the *Deutsche Werke* represents an industry, which is half-nationalized.

But the industry has suffered for sometime past from difficulties resulting from the fact that the management is dependent upon the great Stinnes Trusts for the supply of such important raw materials as coal and iron ore. As long as these "key" materials, which form the basis of all industry, are in the hands of these Trusts, it is clear that a nationalized or semi-nationalized industry like the *Deutsche Werke* cannot possibly flourish. Incidentally also this fact throws much light upon the reason why the industrial capitalists fight so stubbornly against any idea of the socialisation of the coal and iron industries. For as long as these are in private hands they know they have a strangle hold upon the metal and other "finished" industries of any country. It is thus not surprising to hear that Stinnes has made several attempts in the course of the last year to buy up the *Deutsche Werke*, for he knows quite well that, if once a State-owned industry in which the Workers' Council has considerable power, establishes itself firmly in North Germany, the germ will have sprouted, which will sooner or later undermine his industrial monopolies.

But now a new factor comes on the scene. Last year the Interallied Control Commission in Berlin inspected the *Deutsche Werke* and ordered certain alterations in the machinery to be made. In the main these alterations did not seriously interfere with the transference of the works from a war to a peace footing and did not go beyond the demands of the Versailles Treaty, requiring the German government to cease the manufacture of war materials. Suddenly about two months ago, however, the Interallied Control Commission sent in a note to the Direction of the *Deutsche Werke*, ordering them to destroy in part and in part to hand over to the French government a whole number of valuable machines, which are employed purely on peaceful work. The execution of this order means nothing less than the complete ruin of the *Deutsche Werke* and in Spandau alone in the immediate future over 6,000 workmen are threatened with dismissal.

The demands of the Allied Commission would be explicable, if they confined themselves solely to the forbidding of the use of machines for the purpose of making war materials. But this is not the case, except in so far as the demands on the branch of the *Deutsche Werke* in Hanau are concerned, where the Commission has ordered the destruction of a portion of the plant for the manufacture of nitroglycerine. But the rest of the demands are purely vindictive and are obviously aimed at

the ruin of the industry for peace purposes. Thus at Spandau the Allied officers have ordered the destruction of nearly half the lathes and boring machines in the locomotive repairing shops and in the the shops for the manufacture of automobile parts. They have further forbidden the construction of a new steel rolling-mill, which alone will make the industry independent of the extortions of the German metal trusts for the supply of finished iron products. Yet they permit the old machines, which were there during the war for the manufacture of shells, to remain!!!

It is obvious that there is foul play here. And it cannot be altogether an accident that the tactics of the Stinnes Trusts, attempting first to starve out and then to buy at a cheap price the only nationalized industry in Prussia should coincide with this particularly cynical attack of the agents of Allied capitalism and militarism in Germany. However great may be the rivalry and jealousy of the competing groups of world capital, they are united in one thing - in realising the necessity of making a united front against the attempt of the proletariat to secure control over production.

## The Problems of Russian Financial Policy

by F. Preobrashenski.

During the last three and a half years very little was spoken or written about our financial policy. But now it is the question everybody is discussing. And it does not remain mere talk. A great deal is being written at present about the financial policy, even more than appears in print. And that is not astonishing, as not only articles but numerous plans are written, and these plans more frequently drawn up by specialists than by Communists. This can also be understood. Marxian Communists have much more experience in economic questions, and are much less eager than the bourgeois national economists to spend their time on plan-scribbling. I will elsewhere enlarge upon the plans of the "Socialists", and the reasons why the most of them appear to us naive and absurd. At first I want to explain in short what seems to us important for our financial policy.

### General Problems:

1. The most important problem of our financial policy at present is, on the one hand, the gradual introduction of a sound currency, which is just as important for individual exchange of goods as for calculating the economic results of socialized big industries and on the other hand, the calculation of our entire material budget, based on the gold-standard of the world-market.

2. The main obstacle to the solution of this problem is our random issuing of paper-money. But as long as we are unable to stop this emission of money because of the lack of other means wherewith to cover the deficit in the budget, the solution of this problem must be postponed for some time. It is necessary, therefore, to restrict the emission every year. This restriction presupposes an advance in the field of production. This advance, hand in hand with other measures, must make it possible to renounce the revenue coming from note-emissions as a result of the creation of other sources of revenues.

3. There can be no question, however, of a restriction in emissions or of the adoption of a fixed plan with the purpose of arriving at a sound currency, as long as the government does not know how large the pending emission must be in order to cover the operations in the ensuing year or half-year, and as long as the clamor for gold-money continues on the part of various officials. With a clamor of this kind it is altogether impossible to establish systematic management in any field whatsoever.

At present it is possible to assert that the chaos in the emission of currency is the greatest hindrance to the establishment of a new economic policy, particularly in the field of socialized industry.

4. Under existing circumstances it is more necessary than ever to arrive at a fixed budget-system set within the limit which determines a permanent but systematically restricted emission. This system must consist of the following. On the basis of calculation of the material results of currency-emission in 1921-22, it will be possible to determine, on the basis of the value in gold rubles a the pre-war rate, the extent of the deficit which can be covered by an issue by paper money. (About 200,000,000 gold rubles based on pre-war rates.) This sum will be partitioned among the commissariats, with the exception of a

sum which will be put at the disposal of the department of the People's Commissar: for Supplementary Expenditures. The People's Commissariat for Finance is ordered to provide every month, by means of the issue and distribution among public officials of a fixed amount of paper money, a sum determined on the basis, of prices current in free commerce. No public authority—not even the Council of People's Commissaries—should receive throughout the year even one ruble outside of the amount of paper money determined on the basis of the gold-value. When the amount of paper-emission for 1922 is being established, the aim must be to lower the size of the emission (in gold-value) for that year, in comparison with the average of the years 1920-21.

5. The realization of this measure makes it possible, not only to carry out the plan for stopping the issue of notes, but it leads to what is more necessary, the restriction in the necessary social expenditures of public authorities. It will perhaps lead various public officials to exercise greater economy, and will call into being a healthy exertion to cover expenditures through an increase in production, and not as now by issues of paper.

6. The restriction of emission must be balanced not only by an increase in production in the nationalized enterprises and economy in the expenditures of the government apparatus, but also through tax-levies on capital with the explicit assurance that the part of the taxes which the tax-payers will attempt to throw on the shoulders of the workers and their salaries, will be returned to labor. When the new taxes are put into force absolute provision must be made that though a part of the taxes fall on the workmen's salaries this must be made good through a raising of the basic wages or in some other way.

7. The program of action of the People's Commissariat for Finance for 1922 includes not only Denomination (issuing) of money-notes, which will make it much easier to establish a fixed budget, but also the task of reducing the emission of money by at least 20%. Further, it must advance in the direction of introducing new taxes and increasing the old ones, as well as in the immediate reduction (in gold-value) of the amount of paper-money issued.

8. As the establishment of a system of regular emission of money in gold value for workmen's wages for the whole year takes on a semblance of firmly-established uniformity, the use of money to create an incentive to higher production and to establish a systematic economic accounting must at the same time guarantee to the economic organizations the right, in case of need, to demand wages exceeding the minimum wage, as well as to lead the labor-unions to greater participation in the management of production.

9. Since the money in our budget represents only a part of the total budget of the Soviet government, and since without the ascertaining of the other part, that is, the income and expenditure-in-kind, no real picture can be had of our total income and expenditure, our next task must be to determine for the next year not only the extent of the issue of money (in gold-value) but also the total income in kind. This income consists of the total wealth produced in the socialized enterprises, plus the taxes in kind.

The calculation of the income of our government for the year 1922 must be based on the following:

1. The taxes-in-kind minus what must be given out before the end of the year. 2. The total value of all the products of socialized industry, considering the real progress of production (calculated in gold rubles on the basis of prices in the world-market). 3. Official receipts from taxes and monopolies, receipts from leased enterprises and from the sale to the population of goods imported from abroad. 4. The receipts through currency emission.

All these calculations must be based on the gold-value of the prices in the world-market, and, if need be, calculated on the basis of the exchange-value of the Soviet ruble.

In spite of all the difficulties and insufficiencies in the calculation of the first material budget of the first Socialist government of the entire world, these calculations nevertheless make it possible to introduce clarity and order into our budgetary system and into all our material-economic accounting.

As the tax-in-kind plays a very big role in the material budget of the Republic and as it determines the whole plan of industrial operation for a year, the real establishment of the program of production and the plan of expense-budgets and on

the other hand the calculation of the income from the tax-in-kind, can only be calculated after the results of the harvest will be determined. For this reason the formation of all plans for production and for the entire budget, must always be postponed from the first of January to the first of September. The plans of production for the year 1922 must therefore be made during the period of time from the first of January to the first of September. For this same length of time, that is for eight months, the first general budget in kind and gold for the whole republic, must be provided.

## HELP FOR RUSSIA

### An International Workers' Loan for the Russian Proletariat.

by A. Losovsky (Moscow).

No matter what results the present proletarian international aid may achieve, the problem of a lasting relief will still remain unsolved. The situation is such that the question of the practical relations between the Russian and the international proletariat must be placed on the order of the day. Of course, the greatest aid that the international proletariat can offer to the Russian proletariat is the overthrow of their own bourgeoisie. As long as this does not happen, however, an economic co-operation between the workers' organizations of all countries and the Russian proletariat must be created.

Since the resumption of trade-relations with the West, capitalist syndicates are everywhere being organized, which are either desirous of gaining gigantic profits in a short time, or are entertaining the idea of decade-long exploitation, expecting a counter-revolution. On the other hand, the proletarian organisations can come to the aid of the proletarian State with money, machines, etc. This can be done by the Soviet Government issuing a loan, after an agreement with the European and American labor organizations, which loan is to be guaranteed by state enterprise and state industry. Thus European and American labor organisations become partial owners of certain factory-groups. The labor organisations would send special delegates to Russia, to study the situation in the enterprise in question. The organisation which had become a shareholder would, through representatives sent by foreign labor organisations, thus take part in the management of the particular factory-group.

Such action on the part of foreign labor organisations would be a revolutionary deed which would lessen the danger of a counter-revolution and strengthen Soviet Russia's position.

The Russian Proletariat would consider such aid not in the least as a gift, but as a loan which is to be paid back. From six to eight per cent interest would be paid into the strike funds of the various organisations, for capital invested in Russian enterprises. All this would lead to an economic strengthening of Soviet Russia on the one hand, and to the creation of a support for the foreign proletariat, in case of any conflict, on the other.

How would the necessary sum, which naturally amounts to hundreds of millions of dollars, be raised? Every branch of industry of the foreign proletariat should be able to offer an hour's pay weekly, for the raising of the necessary funds. With the money thus raised, the particular branch of industry becomes a share-holder of one or of a whole group of enterprises.

The bourgeoisie could give enormous sums; it does not do so, however, because it fears the economic reconstruction of Soviet Russia. But the international proletariat is also capable of gradually raising the necessary means, in order to become a share-holder in Russian factories and industrial enterprises.